

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

HENDERSON-UNION RURAL ELECTRIC)
COOPERATIVE CORPORATION FLOWING)
THROUGH TO ITS CUSTOMERS)
CONTEMPLATED REDUCTION IN WHOLE-)
SALE POWER RATES BY BIG RIVERS)
ELECTRIC CORPORATION BECAUSE OF)
EARNINGS ON INTERSYSTEM SALES)
AND WHEELING CHARGES)

CASE NO. 8309

O R D E R

On August 6, 1981, Henderson-Union Rural Electric Cooperative Corporation ("Company") filed with the Commission an application to reduce rates and charges to its customers, which was approved by its Board of Directors on July 25, 1981. Big Rivers Electric Corporation ("Big Rivers") notified the Commission on July 10, 1981, of a reduction in rates to its member cooperatives equal to the margin earned by Big Rivers on intersystem sales during the period July 1, 1981, through December 31, 1981. The Company purchases all of its wholesale power requirements from Big Rivers. The Company seeks permission to reduce tariffs and electric service contracts and to pass this reduction on to its customers; to use the fuel clause as the vehicle for passing this reduction through to customers; and to deviate from Commission rules with respect to information requirements contained in 807 KAR 5:001E, Section 6, 7(3), 9 and other applicable rules. The Company will give notice to its customers in accordance with applicable Commission regulations.

The Commission has carefully reviewed the application filed in this case. Based on that review, the Commission finds that:

1. On July 10, 1981, Big Rivers filed a request for reduction in rates equal to the margin earned on intersystem sales for the period July 1, 1981, through December 31, 1981.

2. The Company purchases all its wholesale power requirements from Big Rivers.

3. The Company's request to pass any reductions through to its customers should be granted.

4. The Company should be allowed to deviate from 807 KAR 5:001E, Sections 6, 7(3), 9 and other applicable rules regarding information requirements.

5. The Company should be permitted to report the amount of the reduction as a separate line item in its monthly fuel clause filing.

6. The reduction should be shown as a separate line item on the customers' monthly bills.

7. The Company should file revised tariffs reflecting the above findings.

IT IS THEREFORE ORDERED that the Company's request to pass through any reduction in rates by Big Rivers for margins earned on intersystem sales and wheeling charges be and is hereby granted.

IT IS FURTHER ORDERED that the amount refunded each month be reported as a separate line item in the monthly fuel clause filing.

IT IS FURTHER ORDERED that the amount refunded each month be shown as a separate line item on each customer's bill.

IT IS FURTHER ORDERED that the Company's deviation from 807 KAR 5:001E, Sections 6, 7(3), 9 and other applicable Commission rules regarding information requirements be and is hereby granted.

IT IS FURTHER ORDERED that the reduction in rates approved herein shall be effective on and after the date of this Order for all wheeling charges and margins on intersystem sales refunded by Big Rivers.

Done at Frankfort, Kentucky, this 13th day of August, 1981.

PUBLIC SERVICE COMMISSION

Marlin M. Cook
Chairman

Katherine Randall
Vice Chairman

Jim Haragan
Commissioner

ATTEST:

Secretary